



Waitakere City Council  
*Te Taiao o Waitakere*

## NOTICE OF MEETING

# TENDERS SUBCOMMITTEE

I hereby give notice that a meeting of the Tenders Subcommittee will be held on:-

**DATE:**           Friday,                13 August 2010                               **TIME:**           9.00 am  
**MEETING**  
**ROOM:**           Manukau Room  
**VENUE:**        Waitakere Central, 6 Henderson Valley Road, Henderson,  
                          Waitakere

to consider the business as set out herein and to take any necessary action connected therewith.

3 August 2010

Sharlene Riley  
**SENIOR COMMITTEE ADMINISTRATOR**  
Telephone (09) 836 8000 extn 8851

### MEMBERSHIP:

Councillors   RI   Clow (Chairman)  
                  JM   Clews, QSO, JP (Deputy Chairman)  
                  WW   Flaunty, QSM, JP

Chief Executive Officer  
Director: City Services  
Director: Corporate & Business Services  
Director: Community Wellbeing  
Director: Strategic Planning  
Director: Public Affairs  
Director: Finance

Mayor RA Harvey, QSO, JP (ex officio)  
Deputy Mayor PA Hulse (ex officio)

(Quorum 3 members - one of whom must be a Councillor)

★ ★ ★ ★ ★ ★ ★ ★ ★ ★

(Meeting Room could be subject to change)

(The reports and recommendations contained in all agendas are reports and recommendations only and are not to be construed, in any way, as Council policy until adopted.)

**AGENDA FOR A MEETING OF THE TENDERS SUBCOMMITTEE TO BE HELD IN THE  
MANUKAU ROOM AT WAITAKERE CENTRAL, 6 HENDERSON VALLEY ROAD,  
HENDERSON, WAITAKERE, ON FRIDAY, 13 AUGUST 2010,  
COMMENCING AT 9.00 AM**

---

**TABLE OF CONTENTS**

<b><u>ITEM</u></b>		<b><u>PAGE NO.</u></b>
1	APOLOGIES	1
2	URGENT BUSINESS	1
3	CONFLICTS OF INTEREST	1
4	CONFIRMATION OF MINUTES	1
5	CONTRACT NO. SD09006D - GAS - APPROVAL TO AWARD	2
6	CONTRACT NO. EW10007B - TANE STREET AND LINKS ROAD WASTEWATER UPGRADES AND RENEWALS - APPROVAL TO AWARD	7
7	CONTRACT NO. TA10008A - PROFESSIONAL SERVICES FOR TE ATATU ROAD CORRIDOR IMPROVEMENTS - APPROVAL TO AWARD	11
8	CONTRACT NO. EW07047B - ENERGY EFFICIENCY AND WATER DEMAND MANAGEMENT- APPROVAL TO EXTEND	16
9	CONTRACT NO. EW09012C - PROJECT TWIN STREAMS - COMMUNITY CONTRACT - ORATIA STREAM 2009 - 2012 - APPROVAL TO AMEND CONTRACT SUM AND EXTEND CONTRACT PERIOD	20
10	CONTRACT NO. EW08020A - PROJECT TWIN STREAMS - COMMUNITY CONTRACT - HENDERSON 2008 - 2010 - APPROVAL TO EXTEND CONTRACT PERIOD	26
11	CONTRACT NO. PK07003A - CITYWIDE PLAY FACILITIES MAINTENANCE AND RENEWALS - APPROVAL TO AMEND CONTRACT SUM	31
12	CONTRACT NO. PK05004A - PARK LANDSCAPE PROGRAMMED MAINTENANCE - APPROVAL TO AMEND CONTRACT SUM	34

**AGENDA FOR A MEETING OF THE TENDERS SUBCOMMITTEE TO BE HELD IN THE  
MANUKAU ROOM AT WAITAKERE CENTRAL, 6 HENDERSON VALLEY ROAD,  
HENDERSON, WAITAKERE, ON FRIDAY, 13 AUGUST 2010,  
COMMENCING AT 9.00 AM**

---

**1 APOLOGIES**



**2 URGENT BUSINESS**

Section 46A(7) of the Local Government Official Information and Meetings Act 1987 provides that where an item of business is not on the agenda, it may only be dealt with at the meeting if:

- (i) the Committee by resolution so decides; and
- (ii) the Chairman has explained at the beginning of the meeting (when open to the public) that the item will be raised for discussion and decision, why the item is not on the agenda, and why it cannot be delayed until a subsequent meeting.

The Committee may make a decision on a matter determined to be urgent.

**NOTE:** Urgent Business need not be dealt with now and may be delayed until later in the meeting.



**3 CONFLICTS OF INTEREST**

The Council has acknowledged in its Code of Conduct that Members need to be vigilant to stand aside from decision making when a conflict arises between their role as a Member of the Council and any private or other external interest they might have. This note is provided as a reminder to Members to check that no such conflicts arise in relation to any items on this agenda.



**4 CONFIRMATION OF MINUTES**

Meeting Minutes - 30 July 2010

**RECOMMENDATION**

It is recommended that the Tenders Subcommittee resolve to:

**Receive** the minutes of the meeting of the Tenders Subcommittee held on Friday, 30 July 2010, as circulated, and that they be taken as read and now be confirmed.



## 5 CONTRACT NO. SD09006D - GAS - APPROVAL TO AWARD

### GLOSSARY

Auckland Transition Authority	(ATA)
Request for Proposal	(RFP)
Supplier Quality Premium	(SQP)

### EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Tenders Subcommittee to award Contract No. SD09006D - Gas from 1 September 2010 to 31 July 2012.

### RECOMMENDATIONS

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. SD09006D - Gas - Approval to Award report.
2. **Approve** that, subject to resolution 7 below and a satisfactory credit check, the tender from Nova Energy Limited for Contract No. SD09006D - Gas in the sum of \$689,541.92 plus \$103,431.29 GST (at 15% beginning 1 October 2010), totalling \$792,973.20 from 1 September 2010 to 31 July 2012 be accepted.
3. **Approve**, subject to resolution 7 below, the commitment of \$299,800 excluding GST for Annual Plan 2010/2011 financial year for Contract No SD09006D - Gas.
4. **Approve**, subject to resolution 7 below, the commitment of \$359,761 excluding GST for 2011/2012 financial year for Contract No SD09006D - Gas.
5. **Approve**, subject to resolution 7 below, the commitment of \$29,979 excluding GST for 2012/2013 the financial year for Contract No SD09006D - Gas.
6. **Approve**, subject to resolution 7 below, authority to enter into Contract No. SD09006D - Gas on behalf of the Council be delegated to the Acting Director: City Services.
7. **Note** resolutions 2 to 6 above for Contract No. SD09006D - Gas is subject to confirmation by the Auckland Transition Agency.

### BACKGROUND

1. The scope of work includes the retail supply of gas for West Wave, parks, leisure facilities and buildings occupied or owned by Waitakere City Council. The existing contract is due to expire on 31 August 2010.
2. As part of the reorganisation of the councils of the Auckland region into a single Auckland Council, the Auckland Transition Authority (ATA) has been established under the provisions of the Local Government (Tamaki Makaurau Reorganisation) Act 2009. The ATA, tasked with managing and overseeing the transition to the new Auckland Council by 31 October 2010, has requested the Chief Executives of the Auckland councils to commence work on regionalised procurement.
3. It was decided that undertaking a joint gas procurement exercise would be beneficial in avoiding duplication of separate and parallel exercises, and would align with both the ATA's and Chief Executive Forum's desire for some 'quick wins' under the ATA procurement work stream process. The majority of the regional gas contracts have already expired or are due to expire shortly.

4. The Council approved the extension of Contract No. RM006013A - Gas Supply for Council Sites to Genesis Power Limited at the Tenders Subcommittee meeting held on 18 June 2010 with the following:

*“The Tenders Subcommittee resolved to:*

2. **Approve** that, subject to a satisfactory credit check, Contract No. RM06013A - Gas Supply for Council Sites as awarded to Genesis Power Limited be extended in the sum of \$76,261.00 excluding GST for the period 1 July 2010 to 31 August 2010.”

807/2010

5. The ATA procurement work stream established a Regional Gas Procurement Working Group to determine how a regional gas supply procurement process could be achieved based on the process of the regional electricity supply procurement.
6. Council is involved in the ATA procurement work stream to work on wider regional procurement outcomes moving towards the new Auckland Council. Council is also involved in both the Electricity and Gas Procurement Working Groups to participate in the regional procurement of electricity and gas supply, which will result in individual council contracts to create a similar contract basis and contract term towards the establishment of the Auckland Council. A number of the councils, including this Council, have required the four wellbeings, Economic, Environmental, Social and Cultural, to be taken into consideration alongside other non-price considerations.

#### **SCOPE OF WORK**

7. The scope of work includes total or partial load supply of retail gas (excluding third party charges such as line or Gas Company levy) and account management services for the defined loads of West Wave, parks, leisure facilities and buildings occupied or owned by Waitakere City Council that use gas. The ‘total or partial supply’ may have resulted in more than one contract being awarded to ensure that all loads are supplied.
8. Gas costs are dependent on the amount of gas the council sites and facilities consume, which enables the job costs to only be estimated.
9. The contract terms and renewal included in the Request for Proposal (RFP) are for 23 months with a right of renewal of two years from 1 September 2010, subject to confirmation from the ATA.
10. Additional information requested includes smart metering technologies and proposed roll out plan, provision of electronic information for energy management purposes, fault reporting processes for residential and commercial, and support offered to the councils to support their energy efficiency and greenhouse gas reduction projects.

#### **TENDERS RECEIVED**

11. A Registration of Interest was publicly advertised on Tenderlink with eight sets of documents being uplifted. Four submitters were invited to participate in the RFP and three tenders were received by the closing date of 15 July 2010.

12. Due to the tenderers submitting pricing for a different range of sites, the comparable sites were used to evaluate the RFP. These are summarised in Table 1 below:

TENDERER	REG OFFICE		TENDER PRICE (excl. GST)
Contact Energy Limited	Dunedin	Small sites	\$184,260.09
		Large sites	<u>\$671,456.17</u> \$855,716.26
Genesis Power Limited	Greenlane	Small sites	\$140,547.99
		Large sites	<u>\$ 0.00</u> \$140,547.99
Nova Energy Limited	Wellington	Small sites	\$145,117.42
		Large sites	<u>\$534,146.25</u> \$679,263.67
Pre-tender contract estimate (based on most up-to-date tender rate)			\$1,172,000.00

**Table 1 - Summary of Tender Prices**

13. The difference from the pre-tenders contract estimate is due to only the comparable sites that were priced by the tenderers being used for the price evaluations as not all tenderers priced all sites or all the same sites.

#### **TAGS, ERRORS OR OMISSIONS**

14. The proposal from Contact Energy Limited did not submit information requested for Appendix 2 Proposal Formation and Information for consideration. There were a number of clauses deemed to have significant impact to the councils identified in the contract terms. It was decided that the clauses could be addressed during contract negotiation should Contact Energy Limited be awarded any part of the gas load. The pricing from Contact Energy Limited was for a number of large and small sites but did not provide full coverage of the gas loads identified in the RFP.
15. The proposal from Genesis Power Limited contained pricing for small sites only.
16. The proposal from Nova Energy Limited did not include a full response for Appendix 5 - Sustainability Assessment Table. The pricing from Nova Energy Limited was for the majority of sites excluding West Wave due to Nova Energy Limited not having the current gas pipe reservation capacity with Vector. Nova Energy Limited were asked to price the supply of gas to West Wave should the gas pipe capacity become available during the contract period and they subsequently confirmed that gas pipe capacity for West Wave had become available.

#### **TENDER EVALUATION**

17. In accordance with the conditions of tendering, proposals were evaluated in line with the Price Quality evaluation method as per the New Zealand Transport Authority Procurement Manual for Activities Funded Through the National Land Transport Programme (2009).

18. The “two envelope process” for Price Quality as described in Appendix C of the above manual was followed. Under this method, only the first RFP envelope is opened for the non-price attributes to be evaluated for all RFPs and then the Supplier Quality Premium (SQP) is calculated and confirmed before the second envelope containing the RFP prices is opened, and the RFP prices duly included in the evaluation. The SQP is the amount an organisation is prepared to pay for a higher-quality supplier. The SQP is calculated using the difference in scores between the non-price attributes, which creates a dollar value for the supplier premium for each tenderer that is then subtracted from the tender price during the evaluation to determine the lowest price tender with supplier quality having been taken into account.
19. The process for evaluation of the RFPs was undertaken by the Regional Gas Procurement Working Group, which is made up of council officers including subject matter experts. The RFP incorporated criteria important to each of the individual Auckland councils as much as possible, such as value for money, sustainability, energy management, contract terms and a single tender evaluation process was undertaken.
20. Contact Energy Limited scored lower than the other two tenderers in Experience and Track Record and Management of Contract due to the lack of information provided. Nova Energy Limited scored higher for Methodology as they identified monthly reading of gas meters, which would support access to information to energy managers for usage and cost control. Contact Energy Limited scored higher for Management - Sustainability through their fuller response and evidence to the Appendix 5 - Sustainability Questionnaire Table. Genesis Power Limited scored higher for Management - Contract as their terms and conditions did not contain onerous clauses on the councils. Nova Energy Limited were the only tenderer to provide pricing that covered the majority of the gas load identified in the RFP.
21. The pricing periods submitted by the tenderers included the periods in the RFP of 23 months. Genesis Power Limited provided pricing for small sites only, and both Contact Energy Limited and Nova Energy Limited provided pricing for most large and small sites with some differences in sites. The sites that were commonly priced for all three tenderers were used for the evaluation.
22. The recommendations to award were forwarded to the ATA procurement work stream sponsor for approval. Each council will be signing individual contracts with the winning RFP based on the umbrella request for proposals process.
23. A summary of the evaluation results is shown in Table 2 for full coverage of the commonly priced gas load:

Tender Evaluation	Attributes	Exp. & Track Record	Tech Skill & Comp.	Method	Manage. Skill	Manage. Sustainability	Weighted Sum of Non-Price Attributes	Moderated Supplier Quality Premium (SQP)	Price After SQP
	<b>Weights</b>	5	5	7.5	7.5	15		60	
<b>Proposal</b>	<b>Tender Sum</b>	<b>Grades</b>							
Contact Energy Limited	\$855,716	62	69	42	37	50	19.92		\$855,716
Genesis Power Limited	Disqualified	88	84	58	69	41	25.07	\$50,000	Disqualified
Nova Energy Limited	\$679,264	81	73	70	73	23	21.15	\$12,000	\$667,264
<b>Engineer's Estimate</b>	\$1,172,000								

**Table 2 - Summary of Tender Evaluation**

24. The difference from the Engineer's Estimate is a result of removing the sites that were not commonly priced by all three tenderers to provide comparability in price submissions.

### CREDIT CHECK

25. A credit check on the winning RFP Proposer(s) will be requested by the Regional Gas Procurement Work Group before the contracts are awarded by the councils.

### JOB COSTS

26. A summary of the job costs is shown in Table 3 for the Waitakere gas load:

Unit	Annual Plan 2010/2011 Sep 2010- Jun 2011	2011/2012 Financial Year Year 3	2012/2013 Financial Year Jul 2012 only
Animal Welfare	815	978	81
Parks - Building Maintenance	640	767	64
Council Use Indirect	3,036	3,643	304
Crematorium	25,263	30,316	2,526
Property Heritage	1,410	1,692	141
Property Library	11,321	13,586	1,132
Libraries (included in Property Library)			
Pool Operations	257,315	308,779	25,731
<b>Total</b>	<b>299,800</b>	<b>359,761</b>	<b>29,979</b>

**Table 3 - Job Costs**

### SOURCE OF FUNDING

27. Source of funding is shown in Table 4 below:

Unit	Cost Centre	Annual Plan 2010/2011	2011/2012 Financial Year	2012/2013 Financial Year
Animal Welfare	3760	2,000	2,000	2,000
Parks - Building Maintenance	5160	2,000	2,000	2,000
Council Use Indirect	8060-78100	7,000	7,000	7,000
Waikumete Crematorium	4810-78100	22,000	22,000	22,000
Property Heritage	8010-78100	2,000		
Property Library	8040-78100	8,000	8,000	8,000
Libraries	1900-78100	2,000	2,000	2,000
Pool Operations	4580-78100	308,946	302,000	302,000
<b>Total</b>		<b>353,946</b>	<b>345,000</b>	<b>345,000</b>

**Table 4 - Source of Funding**

### IMPLEMENTATION ISSUES

28. Waikumete Cemetery has a budget shortfall of \$9,000 per annum in Cost Centre 4790-78100 as a result of under charges from Genesis Power Limited using an incorrect multiplier for gas usage at the time of the Long Term Community Plan 2009-2019 being developed. The correct gas usage multiplier is now being utilised by Genesis Power Limited and the correct gas usage was used for this tender process, resulting in the \$9,000 shortfall. Deputy Group Manager - Assets has confirmed that the shortfall will be found from savings.

29. Property Heritage has a budget shortfall due to an anticipated upgrade that is still to be confirmed. Any additional budget that should be required will be provided from savings within the Property budget.
30. Massey Leisure Centre and Library is split between Libraries and YMCA with the invoices being processed through Cost Centre 8040-78100. There is a budget shortfall of up to \$3,500 or part of for partial years. The cost recovery from YMCA is eighty percent for gas and anticipated to be \$10,864 per annum, which should cover the anticipated shortfall.
31. West Wave has a budget shortfall of \$6,779 for 2011/2012. Gas costs are determined by usage and a forecast was used for the RFP. The budget shortfall could be met through two situations taking place, another prolonged warm period as experienced in 2009/2010 resulting in less gas used and/or implementation of savings through the use of sub-metering of electricity, gas and water currently being installed to support more efficient use of those resources. It is recommended that the gas usage be monitored during 2010/2011 to determine whether additional budget is required for 2011/2012.

#### **AUCKLAND COUNCIL TRANSITION ISSUES**

32. The Local Government (Tamaki Makaurau Reorganisation) Act 2009 imposes restrictions on Waitakere City Council's decision making capabilities in respect of 31(4)(i) specifically:
  - 4(i) to enter into any contract (other than an employment agreement)—
    - (i) that imposes, or will continue to impose, any obligation on the existing local authority after 30 June 2011; and
    - (ii) the consideration for which is, or is equivalent to, \$20,000 or more.

**Report prepared by:** Michelle Dawson, Corporate Sustainability Manager.



## **6 CONTRACT NO. EW10007B - TANE STREET AND LINKS ROAD WASTEWATER UPGRADES AND RENEWALS - APPROVAL TO AWARD**

### **EXECUTIVE SUMMARY**

The purpose of this report is to seek approval from the Tenders Subcommittee to award Contract No. EW10007B - Tane Street and Links Road Wastewater Upgrades and Renewals.

### **RECOMMENDATIONS**

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. EW10007B - Tane Street and Links Road Wastewater Upgrades and Renewals - Approval to Award report.
2. **Approve** that Contract No. EW10007B - Tane Street and Links Road Wastewater Upgrades and Renewals be awarded to other than the lowest priced tender, as the Weighted Attributes Tender Evaluation Method requires the tendering authority to enter into a contract only with the tender that scores the highest overall index.

3. **Approve** that the tender from H&H Contractors Limited for Contract No. EW10007B - Tane Street and Links Road Wastewater Upgrades and Renewals in the sum of \$642,369.00 plus \$80,296.13 GST, totalling \$722,665.13 be accepted.
4. **Approve** that authority to enter into Contract No. EW10007B - Tane Street and Links Road Wastewater Upgrades and Renewals on behalf of the Council be delegated to the Group Manager: Project Services.

### BACKGROUND

1. The existing public wastewater mains at Tane Street and Links Road are under capacity for the current demand, as well as for future needs. Therefore the existing public wastewater mains have to be renewed and upgraded to allow for future growth in the area.
2. Funding was approved by the Council in the Annual Plan 2010/2011 for this work.

### SCOPE OF WORK

3. The scope of work includes:
  - installation of approximately 1,200 metres of new wastewater pipeline using directional drilling and open excavation techniques;
  - rehabilitation of 215 metres of existing wastewater pipelines using structural lining and pipe bursting techniques;
  - construction and rehabilitation of 31 manholes;
  - replacement of 36 service connections;
  - rehabilitation of three service connections using lateral junction repairs; and
  - flushing and video inspection of newly installed and rehabilitated lines.

### TENDERS RECEIVED

4. Tenders were publicly advertised on Tenderlink with 41 sets of documents being uplifted. Nine tenders were received by the closing date of 13 July 2010. These are summarised in Table 1 below:

TENDERER	REG OFFICE	TENDER PRICE (excl. GST)
Network Construction Limited	2 The Knoll Greenhithe, Auckland	\$639,972.38
H&H Contractors Limited	12A Culperry Road, Glen Eden, Waitakere	\$642,369.00
JB Contractors Ltd	26 Glasgow Avenue, Papatoetoe, Manukau City	\$713,512.00
Mules Construction Limited	4th Floor, Barclays House, 70 Shortland Street, Auckland	\$770,727.88
Total Infrastructure Limited	4a Stoddard Place, Mt Roskill, Auckland	\$782,856.00
CDS New Zealand Limited	31 Bayview Park Lane, Orewa, Auckland	\$977,539.00
Civil Underground Limited	Level 6, 36 Kitchener Street, Auckland	\$755,786.00
Horizontal Earth Drilling Limited	55 Watea Road, Torbay, North Shore	\$813,365.00
Smythe Contractors Limited	Shannon Wrigley & Co Ltd, 30 Duke Street, Cambridge 3434	\$825,733.00
Pre-tender contract estimate (based on most up-to-date tender rate)		\$694,515.00
Budget estimate		\$750,000.00

**Table 1 - Summary of Tender Prices**

## TAGS, ERRORS OR OMISSIONS

5. The tender from Network Construction Limited contained tags which were deemed acceptable.
6. The tender from H&H Contractors Limited contained a conflicting statement regarding their intention of using a subcontractor for carrying out the directional drilling portion of the contract works. This was clarified to the satisfaction of Council officers. H&H Contractors Limited also complied with the request to confirm their nominated project manager.
7. Civil Underground Limited and Horizontal Earth Drilling Limited were disqualified as both companies failed to submit Track Records in their tenders.
8. There were tags in the tenders submitted by Mules Construction Limited and Horizontal Earth Drilling Limited. These were not addressed as it did not affect the outcome of the tender evaluation process.
9. The tender from Smythe Contractors Limited did not contain a Price Schedule and hence was disqualified.
10. There were no other errors or omissions in the other tenders.

## TENDER EVALUATION

11. In accordance with the conditions of tendering, tenders were evaluated in line with the Weighted Attribute Method contained in the New Zealand Transport Agency's "Competitive Pricing Procedures Manual".
12. A summary of the evaluation results is shown in Table 2 below:

Tender Evaluation	Attributes	Exper.	Track Record	Tech. Skill	Resour.	Manag. Skill	Method.	Price	Contract Number EW10007B
									Total Weights
	Weights	10	6	3	3	3	5	70	100
Tenderer	Tender Sum	Grades							INDEX
Network Construction Limited	\$639,972.38	75	82	70	72	75	82	60	65
H&H Contractors Limited	\$642,369.00	82	83	85	82	85	75	60	66
JB Contractors Limited	\$713,512.00	88	87	90	90	86	80	50	61
Civil Underground Limited			35						Disqualified
Horizontal Earth Drilling Limited			35						Disqualified
Mules Construction Limited		35							Disqualified
Total Infrastructure Limited	\$782,856.00	40	70	55	60	65	60	40	45
Smythe Contractors Limited									Disqualified
CDS New Zealand Limited	\$977,539.00	80	45	72	82	50	65	13	29
<b>Median Tender Price</b>	\$713,512.00								

**Table 2 - Summary of Tender Evaluation**

13. Scores for the non-price attributes were determined on the basis of information provided in each tender and on any recent Council experience with the tenderers.
14. The tender submitted by Mules Construction Limited was given a low score for the non-price attribute of "Relevant Experience" as their tender failed to demonstrate any previous relevant experience associated with directional drilling, and hence they were disqualified.

15. The results of the tender evaluation as summarised in Table 2 shows that the tender submitted by H&H Contractors Limited achieved the highest index of 66. This tender is the second lowest priced tender.
16. H&H Contractors Limited has successfully completed several contracts for Council in the recent past and they have the necessary expertise and resources to satisfactorily carry out the works.
17. The successful tender is 7.5% below the pre-tender contract estimate.
18. As part of Council's contracting process "Quality, Health and Safety and Environmental compliance are not negotiable" - all contractors have had this focus clearly reinforced through the contract documents and this will be strongly reiterated at the subsequent pre-start meeting and imposed during the contract period.

### CREDIT CHECK

19. A credit check on H&H Contractors Limited dated 19 July 2010 revealed no adverse information.

### JOB COSTS

20.	<b>excl. GST</b>
Tender sum - H&H Contractors Limited	\$642,369.00
Contingency	\$ 64,236.90
Engineering and Supervision	\$ 64,236.90
Other (Consents)	\$ 25,000.00
	-----
Total Job Cost	\$795,842.80

### SOURCE OF FUNDING

21. Source of funding is shown in Table 3 below:

Budget Description (from annual budget line item) Annual Plan 2010/2011	Codes	Budget	Committed to other projects	Allocation to this project	Unallocated balance	Potential surplus
Wastewater Renewals	8AMEW-11-037/09	\$1,269,000	0.00	\$365,000.00	\$904,000.00	\$54,510.00
Wastewater Upgrades	8AMEW-11-081/07/06	\$2,393,000	0.00	\$430,845.80	\$1,962,154.20	\$53,121.00
	<b>Total</b>	\$3,662,000	0.00	\$795,845.80	\$2,866,154.20	\$107,631.00

**Table 3 - Source of Funding**

### IMPLEMENTATION ISSUES

22. There are no implementation issues expected with this contract.

## AUCKLAND COUNCIL TRANSITION ISSUES

23. The decision making proposed in this report is not constrained by section 31 of the Local Government (Tamaki Makaurau Reorganisation) Act 2009, as it does not directly or because of its consequences: significantly prejudice the reorganisation, significantly constrain the powers or capacity of the Auckland Council or any subsidiary of the Auckland Council following the reorganisation, or have a significant negative impact on the assets or liabilities that are transferred to the Auckland Council as a result of the reorganisation.

**Report prepared by:** Tarun Ahuja, Senior Contracts Engineer.



## 7 CONTRACT NO. TA10008A - PROFESSIONAL SERVICES FOR TE ATATU ROAD CORRIDOR IMPROVEMENTS - APPROVAL TO AWARD

### GLOSSARY

New Zealand Transport Agency (NZTA)

### EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Tenders Subcommittee to award Contract No. TA10008A - Professional Services for Te Atatu Road Corridor Improvements.

### RECOMMENDATIONS

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. TA10008A - Professional Services for Te Atatu Road Corridor Improvements - Approval to Award report.
2. **Approve** that Contract No. TA10008A - Professional Services for Te Atatu Road Corridor Improvements be awarded to other than the lowest priced tender, as the Weighted Attributes Tender Evaluation Method requires the tendering authority to enter into a contract only with the tender that scores the highest overall index.
3. **Approve** that the tender from MWH New Zealand Limited for Contract No. TA10008A - Professional Services for Te Atatu Road Corridor Improvements in the sum of \$491,642.00 plus \$61,455.25 GST, totalling \$553,097.25 and starting from 1 August 2010 to 30 June 2011 be accepted.
4. **Approve** that authority to enter into Contract No. TA10008A - Professional Services for Te Atatu Road Corridor Improvements on behalf of the Council be delegated to the Acting Director: City Services.

### BACKGROUND

1. The New Zealand Transport Agency (NZTA) announced its intention to upgrade the motorway overbridge at Te Atatu Road to include three lanes in each direction. The project forms an integral part of the Western Ring Road project. It is understood that NZTA is currently in the process of preparing concept designs (incorporating the Te Atatu Road corridor concept design) with construction planned to be completed in 2014/2015.

2. In order to integrate the work programme with NZTA, Council is preparing to upgrade Te Atatu Road (from SH16 west-bound ramps to Edmonton Road roundabout) and Edmonton Road (from Te Atatu Road intersection to School Road). In 2009 the Council completed the preliminary design of the preferred option consisting of five major components as listed below:
  - Widening existing roads;
  - Replacing an existing roundabout with traffic signals;
  - Upgrading existing traffic signals;
  - Widening of footpaths; and
  - Installation of a flush median and cycle lane.
3. Council allocated \$500,000.00 budget in the Annual Plan 2010/2011 for Te Atatu Road Corridor Improvement project.

### SCOPE OF WORK

4. The scope of work includes professional services covering:
  - Widening existing roads as follows:
    - Edmonton Road - from School Road to Te Atatu Road;
    - School Road - for a distance of 100-120 metres from Edmonton Road;
    - Te Atatu Road - from Wakeling Avenue to SH16 west-bound ramps;
    - Flanshaw Road - for a distance of 60-80 metres from Te Atatu Road;
    - Lyndhurst Road - for a distance of 60-80 metres from Te Atatu Road;
    - Jaemont Avenue south - for a distance of 100-120 metres from Te Atatu Road;
    - Vera Road - for a distance of 80-100 metres from Te Atatu Road;
    - Jaemont Avenue north - for a distance of 60-80 metres from Te Atatu Road;
    - Covil Avenue - for a distance of 100-120 metres from Te Atatu Road;
    - Royal View Road - for distance of 100-120 metres from Te Atatu Road; and
    - Bridge Avenue - for a distance of 60-80 metres from Te Atatu Road.
  - Replacing the existing roundabout with traffic signals at the intersection of Te Atatu Road / Edmonton Road / Flanshaw Road; and
  - Upgrading the existing traffic signals at the following intersections:
    - Te Atatu Road / Covil Avenue; and
    - Te Atatu Road / Jaemont Avenue / Vera Road.
  - Low Impact Design within the road reserve;
  - Upgrading the stormwater system to support the road infrastructure and provide treatment and mitigation to comply with relevant resource consents;
  - Relocation / diversion of the water supply and wastewater networks within the road reserve;
  - Relocation / diversion of utility services;
  - Improving landscaping / streetscape design within the road corridor; and
  - Installation of traffic signals.

## TENDERS RECEIVED

5. Tenders were publicly advertised on Tenderlink with nine sets of documents being uplifted. Ten tenders were received by the closing date of 25 May 2010. These are summarised in Table 1 below:

TENDERER	REG. OFFICE	TENDER PRICE (excl. GST)
Blue Barn Consulting Limited	Henderson	237,510.00
CPG New Zealand Limited	Auckland City	328,732.00
Thurlow Consulting Engineers and Surveyors Limited	Browns Bay	391,095.00
MSC Consulting Group Limited	Takapuna	468,388.75
MWH New Zealand Limited	Auckland City	481,642.00
R2O Consultants Limited	Freemans Bay	490,120.00
Fraser Thomas Limited	Papatoetoe	548,540.00
GHD Limited	Auckland City	569,782.00
AECOM New Zealand Limited	Newmarket	687,418.60
OPUS International Consultants Limited	Takapuna	879,380.00
Pre-tender contract estimate (based on most up-to-date tender rate)		406,940.00
Budget estimate		500,000.00

**Table 1 - Summary of Tender Prices**

## TAGS, ERRORS OR OMISSIONS

6. The tender submitted by MWH New Zealand Limited contained minor tags within their non-price attribute submission that were addressed and removed.
7. The tender from MWH New Zealand Limited had an arithmetic error. This was addressed and it did not affect the outcome of the tender evaluation process.
8. The tender from MSC Consulting Group Limited had an arithmetic error. This was not addressed as it did not affect the outcome of the tender evaluation process.
9. There was one omission in the tender submitted by CPG New Zealand Limited and Thurlow Consulting Engineers and Surveyors Limited whereby one minor item was not priced. These omissions were not addressed as they did not affect the outcome of the tender evaluation process.
10. There were no other errors or omissions in the other tenders.

## TENDER EVALUATION

11. In accordance with the conditions of tendering, tenders were evaluated in line with the Weighted Attribute Method contained in the New Zealand Transport Agency's "Competitive Pricing Procedures Manual".
12. These procedures require that where the tender includes Provisional Sums (work valued by the Principal and placed within the Schedule of Prices) they are deducted from the Tender Sum prior to evaluating each tender.
13. In this contract the value of Provisional Sums is \$10,000.00.
14. The "Two envelope process" as described in Section 2.7 of the above manual was followed. Under this method, only the first tender envelope is opened and the non-price attributes evaluated for all tenders before the second envelope containing the tender price is opened, and the tender prices duly included in the evaluation.

15. As Blue Barn Consulting Limited withdrew their tender it has not been included in the evaluations.
16. A summary of the evaluation results is shown in Table 2:

Tender Evaluation	Attributes	Exp.	Track Record	Tech Skill	Manage. Skill	Method.	Price	Total Weights
	<b>Weights</b>	16	16	16	16	16	20	100
Tenderer	Tender Sum	Grades						INDEX
CPG New Zealand Limited	\$ 338,732.00	72	64	73	70	61	69	68
Thurlow Consulting Engineers and Surveyors Limited	\$ 401,095.00	68	70	68	62	55	54	62
MSC Consulting Group Limited	\$ 478,388.75	53	55	70	73	62	35	57
MWH New Zealand Limited	\$ 491,642.00	74	79	80	87	81	32	70
R2O Consultants Limited	\$ 500,120.00	50	70	50	42	47	30	47
Fraser Thomas Limited	\$ 558,540.00	55	70	73	70	74	15	58
GHD Limited	\$ 579,782.00	80	85	77	87	83	10	68
AECOM New Zealand Limited	\$ 697,418.60	86	88	83	89	85	-19	65
OPUS International Consultants Limited	\$ 889,380.00	77	84	80	82	73	-66	50
<b>Median Tender Price</b>	\$ 505,091.00							

**Table 2 - Summary of Tender Evaluation**

17. The tender submitted by Blue Barn Limited was withdrawn as their workload was significantly changed after the tender closed and they do not have enough resources to carry out the work. Therefore, further tender comparison was carried out between the first and second highest index scores, namely the tender from CPG New Zealand Limited and MWH New Zealand Limited.
- A1-A3
18. The results of the tender evaluation as summarised in Table 2 show that the tender submitted by MWH New Zealand Limited achieved the highest index of 70. This tender is also the fourth lowest priced tender, and 18% over the pre-tender cost estimate. The tender evaluation team's reasons for the evaluation scores are detailed in the attachment at pages A1 to A3.
  19. MWH New Zealand Limited successfully completed Sylvia Park and the Mt Wellington Highway intersections and widening in the 2005/2006 financial year.
  20. MWH New Zealand Limited has the necessary expertise and resources to satisfactorily carry out the works.
  21. Reference checks made on a selection of clients indicated a well resourced, well managed and capable service supplier.
  22. As part of Council's contracting process "Quality, Health and Safety and Environmental compliance are not negotiable" - all contractors have had this focus clearly reinforced through the contract documents and this will be strongly reiterated at the subsequent pre-start meeting and imposed during the contract period.

### CREDIT CHECK

23. A credit check on MWH New Zealand Limited dated 24 June 2010 revealed no adverse information.

### JOB COSTS

24.	<b>excl. GST</b>
Tender sum - (MWH New Zealand Limited)	\$491,642.00
Contingency	\$ 8,358.00
	-----
Total Job Cost	\$500,000.00

25. The maximum budget available for this project in the Annual Plan 2010/2011 is \$500,000.00. This constraint results in a contingency sum of \$8,358.00 which is less than the standard 10% or \$49,164.20. However, there are several "Provisional Sums and Items" in the tender schedule that may not be needed. It is expected that of the total Provisional Sums and Items listed in this category totalling \$108,842.00 only \$49,950.00 will be needed. The difference (or saving) of \$61,892.00 can be used as a contingency if required.

### SOURCE OF FUNDING

26. Source of funding is shown in Table 3 below:

Budget Description (from annual budget line item) Annual Plan 2010/2011 r	Codes	Budget	Committed to other projects	Allocation to this project	Unallocated balance	Potential surplus
Te Atatu Road Improvement	8AMTA-10-029	\$500,000.00	0.00	\$500,000.00	0.00	0.00
	<b>Total</b>			\$500,000.00		

**Table 3 - Source of Funding**

### IMPLEMENTATION ISSUES

27. There are no implementation issues expected with this contract.

### AUCKLAND COUNCIL TRANSITION ISSUES

28. The decision making proposed in this report is not constrained by section 31 of the Local Government (Tamaki Makaurau Reorganisation) Act 2009, as it does not directly or because of its consequences: significantly prejudice the reorganisation, significantly constrain the powers or capacity of the Auckland Council or any subsidiary of the Auckland Council following the reorganisation, or have a significant negative impact on the assets or liabilities that are transferred to the Auckland Council as a result of the reorganisation.

**Report prepared by:** Mohammed Alsakini, Senior Transport Engineer.



8 **CONTRACT NO. EW07047B - ENERGY EFFICIENCY AND WATER DEMAND MANAGEMENT- APPROVAL TO EXTEND**

**GLOSSARY**

EcoMatters Environmental Trust	(EMT)
Watercare Services Ltd	(Watercare)

**EXECUTIVE SUMMARY**

The purpose of this report is to seek approval from the Tenders Subcommittee to extend Contract No. EW07047B - Energy Efficiency and Water Demand Management with EcoMatters Environmental Trust (EMT) for 12 months, from 1<sup>st</sup> July 2011 to 30 June 2012.

**RECOMMENDATIONS**

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. EW07047B - Energy Efficiency and Water Demand Management - Approval to Extend report.
2. **Approve**, subject to resolution 5 below, that Contract No. EW07047B - Energy Efficiency and Water Demand Management as awarded to EcoMatters Environment Trust be extended in the sum of \$299,800.00 excluding GST for the period 1 July 2011 to 30 June 2012.
3. **Approve**, subject to resolution 5 below, the commitment of \$299,800 excluding GST as provided in year 3 (2011/2012) of the Long Term Council Community Plan 2009 - 2019 for Contract No. EW07047B - Energy Efficiency and Water Demand Management.
4. **Approve**, subject to resolution 5 below, that the authority to enter into Contract No. EW07047B - Energy Efficiency and Water Demand Management for the period 1 July 2011 to 30 June 2012 on behalf of Council be delegated to the Acting Group Manager: Assets.
5. **Note** that resolutions 2 to 4 above are subject to approval by the Auckland Transition Agency.

**BACKGROUND**

1. Council has a number of programmes around the reduction of water, waste, energy and transport. In previous years these programmes have been provided as stand alone initiatives by Strategy and City Services.
2. In 2007 an opportunity was realised to enhance these initiatives by working together across Council to use the expertise built up by contract and community organisations, to engage the community in the delivery of these programmes.
3. Council has previously entered into contracts with EMT to deliver Council's energy efficiency and water demand management programme. The existing contract is due to expire on 30 June 2011.
4. The Council approved the extension of Contract No. EW07047B - Energy Efficiency and Water Demand Management to EMT at a Tenders Subcommittee held on 24 July 2009, where it was resolved as follows:

*“The Tenders Subcommittee resolved to:*

1. **Receive** the Contract No. EW07047B - Energy Efficiency And Water Demand Management - Approval To Extend report.
2. **Approve** that Contract No. EW07047B - Energy Efficiency and Water Demand Management as awarded to EcoMatters Environment Trust be extended in the sum of \$618,500.00 excluding GST for the period 1 July 2009 to 30 June 2011.
3. **Approve** the commitment of \$309,250.00 excluding GST to the 2010/2011 financial year for Contract No EW07047B - Energy Efficiency and Water Demand Management.
4. **Approve** that authority to extend Contract No. EW07047B - Energy Efficiency and Water Demand Management for the period 1 July 2009 to 30 June 2011 on behalf of the Council be delegated to the Deputy Group Manager: Assets.”

1271/2009

5. During the 2008/2009 and 2009/2010 Energy and Water Demand Management Programmes EMT have mobilised and recruited resources to deliver the contracted programmes. For the schools programme 45 out of 72 schools have been audited, and 45 detailed reports have been prepared for schools detailing the actions now required to achieve significant water savings identified. The following is a list of what was found at those schools:

- A number of long term undetected leaks were identified at some 12 schools totalling 44.88 litres per minute; these were investigated and repaired and produced immediate saving of 23,589 cubic metres of water per year;
- It was found that school toilets, and in particular boys urinals were flushing water down the drain without timers or sensors even during evenings, weekends and school holidays. Toilets were general large single flush and gizmos, although offered, were not readily accepted by school caretakers; and
- Since 2008 seven schools have been retrofitted with waterless urinals which are saving 8805 cubic metres of water each year. The schools are:
  - Glen Eden Intermediate, Laingholm Primary and Holy Cross Primary Schools to waterless urinals were completed. This represented a saving of 6347 cubic metres of water per year; and
  - In 2009/2010 retrofitting of Konini Primary, Kaurilands Primary, Kelston Intermediate and Henderson Valley Primary Schools to waterless urinals was completed. This represented a saving of 2455 cubic metres of water per year. Prospect Primary School is due to be retrofitted in the next two months.

6. A summary of measurable achievements by the Sustainable Homes programme since the start of the project is shown in Table 1 below:

Measurable	Number	Water saved (cubic metres)
Homes seen since start of the contract	1476	12260
Toilets retrofitted with gizmo	613	8904
Showerheads installed	318	11564
Flow restrictors installed	413	17820
Aerators installed	891	50548

**Table 1 - Summary of measurable achievements**

7. During the establishment of the 2010/2011 work plan, discussion took place between EMT and Council to determine the most efficient method for EMT to maximise water reduction. It was agreed that with the amalgamation of the councils water services into Watercare Services Ltd (Watercare) (effective 1 November 2010) it was important that the focus for this contract was to be on saving water rather than the sustainable living/sustainable households objectives of previous years. As a result a new work plan was agreed between the two parties. This included increasing the number of homes to be visited and retrofitted with water saving devices; engagement of schools; sustainable home checks; and the introduction of the use of social media (i.e. Facebook, Twitter etc). As a result the work plan for the coming financial year is shown in Table 2 below:

Item	Quantity (if required)
Project Management	Duration of the contract
Social Media	Duration of the contract
School Retrofits	15 schools
Household Retrofits	600 homes visited
Sustainable Homechecks	100 homes visited
Water saving devices	Duration of the contract

**Table 2**

8. It is believed that the extension of this contract will be aligned with initiatives discussed with Watercare in relation to water reduction of large users, such as Housing New Zealand and other commercial entities.
9. Following the 2009/2010 summer months, recorded as the driest summer in 50 years of recording, water supply levels as recorded by Watercare through their normal monitoring of lakes levels, reached a point of requiring the initiation of the Regional Drought Plan. This plan remains operative through the 2010 winter as water levels have failed to reach adequate storage levels considered necessary to maintain uninterrupted water supply over the 2010/2011 summer. Part of the ongoing regional response was a communications programme to the Auckland Region regarding water saving. Watercare communication has included large commercial users including Housing New Zealand demonstrating consistency with Councils demand management initiatives.
10. The extension of this contract is consistent with the Watercare mission which is:
- “To provide water and wastewater services that are economically viable, environmentally sound, socially responsible and responsive to customer needs, thereby enhancing the services of the company to all people across the Auckland region.”*
11. It is desirable to extend the contract for a further one year to 30 June 2012 to enable the continuation of retrofitting homes with the Waitakere catchment; assisting schools with water savings; and assist Council with its water reduction strategy.

## **DECISION MAKING**

12. Contract No. EW07047B - Energy Efficiency and Water Demand Management was originally an eight months contract with an expiry of 30 June 2008. The Contract also has provision for up to two annual extensions based on satisfactory performance by the contractor and subject to Council’s approval. The Contract was extended to 30 June 2011.

13. EMT has confirmed that they are willing to carry out the contract for a further 12 months:
- To retain institutional knowledge over the period of transition; and
  - To ensure certainty of service delivery over the period of transition.

### CONTRACTOR'S PERFORMANCE

14. EMT has delivered the water demand management work programme efficiently and there has been positive feedback from the community. An evaluation of EMT performance to date contains the following features:
- They have developed a good working relationship with relevant Council staff;
  - They have resourced the programmes satisfactorily;
  - They have complied with the conditions of the contract;
  - They respond quickly to customer issues; and
  - They have a strong focus on health and safety.

### CREDIT CHECK

15. A credit check on EMT dated 2 April 2009 revealed no adverse information. A credit check on EMT will be requested as part of the contract negotiation.

### JOB COSTS

16.		<b>excl. GST</b>
	<b>2011-2012</b>	
	Project Management (general contract)	\$55,000
	Schools Retrofit	\$36,000
	Project Management (fixtures installation)	\$55,000
	Home Checks	\$25,000
	Households Retrofit	\$64,800
	Water saving devices	\$12,000
	Social Media	\$12,000
	RNZAF (provisional sum)	\$ 5,000
	Contingency (unplanned by necessary)	\$35,000
		-----
	<b>Total Job Cost</b>	<b>\$299,800</b>

### SOURCE OF FUNDING

17. Source of funding is shown in Table 3 below:

Budget Description 2011/2012 financial year	Codes	Budget	Committed to other projects	Allocation to this project	Unallocated balance
Demand Management	7670- 63000	\$529,000	\$241,200	\$287,800	0
Public Information	7650- 63000	\$159,000	\$147,000	\$12,000	0
<b>TOTAL</b>				<b>\$299,800</b>	

**Table 3 - Source of Funding**

## IMPLEMENTATION ISSUES

18. There are no expected implementation issues with this contract.

## AUCKLAND COUNCIL TRANSITION ISSUES

19. The Local Government (Tamaki Makaurau Reorganisation) Act 2009 imposes restrictions on Waitakere City Council's decision making capabilities in respect of any contract that extends beyond 30 June 2011 and thus the recommendations in this report require specific approval from the Auckland Transition Agency.

**Report prepared by:** Ann-Marie Worth, Manager, Services Delivery.



## 9 CONTRACT NO. EW09012C - PROJECT TWIN STREAMS - COMMUNITY CONTRACT - ORATIA STREAM 2009 - 2012 - APPROVAL TO AMEND CONTRACT SUM AND EXTEND CONTRACT PERIOD

### GLOSSARY

Project Twin Streams	(PTS)
McLaren Park Henderson South Community Initiative Inc	(MPHS)
Auckland Regional Holdings	(ARH)

### EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Tenders Subcommittee to amend the contract sum and renew Contract No. EW090102C - Project Twin Streams - Community Contract - Oratia Stream 2009 - 2012 for 24 months, from 1 July 2010 to 30 June 2012. This contract is held by McLaren Park Henderson South Community Initiative Inc. (MPHS), and was approved as a 36 month contract subject to annual approval of renewal by the Tenders Subcommittee.

It is recommended that the contract sum be increased to \$645,000.00 plus GST to provide additional resources for the extra work the community is proposing to take on through new Stream Ranger and Field Worker positions, and the initiation of a training programme for local people to increase community capacity for stream restoration work. Currently much of this work is carried out by contractors, so the additional cost will be offset by reducing the physical works contract for this area.

### RECOMMENDATIONS

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. EW090102C - Project Twin Streams - Community Contract - Oratia Stream 2009 - 2012 - Approval to Amend Contract Sum and Extend Contract Period report.
2. **Approve** that the Contract No. EW090102C - Project Twin Streams - Community Contract - Oratia Stream 2009 - 2012 as awarded to McLaren Park Henderson South Community Initiative Inc be extended in the sum of \$540,000.00 plus \$67,500.00 GST, totalling \$607,500.00 for the period 1 July 2010 to 30 June 2012.

3. **Approve** the commitment of \$270,000.00 excluding GST as provided in year 2 (2010/2011 financial year) of the Long Term Council Community Plan 2009-2019 for Contract No. EW090102C - Project Twin Streams - Community Contract - Oratia Stream 2009 - 2012.
4. **Approve** the commitment of \$270,000.00 excluding GST as provided in year 3 (2011/2012 financial year) of the Long Term Council Community Plan 2009-2019 for Contract No. EW090102C - Project Twin Streams - Community Contract - Oratia Stream 2009 - 2012.
5. **Approve** that authority to extend Contract No. EW090102C - Project Twin Streams - Community Contract - Oratia Stream 2009 - 2012 for the period 1 July 2010 to 30 June 2012 on behalf of the Council be delegated to the Acting Group Manager: Assets.
6. **Note** that on 20 July 2009 the Auckland Transition Authority confirmed the decision to award Contract No EW09102C - Project Twin Streams - Community Contract - Oratia Stream 2009 - 2012 to McLaren Park Henderson South Community Initiative Inc. (ATA0026).

## BACKGROUND

1. Project Twin Streams (PTS) is focussed on restoring six streams: Waikumete Stream, Opanuku Stream, Henderson Creek, Oratia Stream, Swanson Stream and Pixie Stream and their environs, principally through innovative storm water management and the weeding and planting of stream banks. Over time this focus has broadened into a Quadruple Bottom Line approach which recognises and weaves together the social, economic, cultural, spiritual and environmental aspects of the project.
2. Key to the success and sustainability of this project is the public involvement and participation in the revegetation programme organised through community contract organisations.
3. (MPHS) has held a community contract for the Oratia Stream since January 2007.
4. As a PTS contract organisation, MPHS has made outstanding progress in organising public planting events in the Oratia Stream area and engaging local residents, schools, groups and businesses in the stream restoration work.
5. The timeframe for completion of PTS is 30 June 2012.
6. PTS has regional funding of \$39.5 million over ten years from 2002 to 2012, which is held by Auckland Regional Holdings Limited (ARH) (formerly Infrastructure Auckland).
7. The Tenders Subcommittee approved the award of Contract No. EW09102C - Project Twin Streams - Community Contract - Oratia Stream 2009 - 2012 to MPHS at a Tenders Subcommittee meeting held on 12 June 2009, where it was resolved as follows:

*“The Tenders Subcommittee resolved to:*

1. **Receive** the Contract No. Contract No. EW09012C - Project Twin Streams Community Contract - Oratia Stream 2009 - 2012 report.

2. *Approve subject to resolution 8 below, that the tender from McLaren Park Henderson South Community Initiative Inc for Contract No. EW09012C - Project Twin Streams Community Contract - Oratia Stream 2009 - 2012 in the sum of \$315,000.00 plus \$39,375.00 GST, totalling \$354,375.00 be accepted.*
3. *Approve subject to resolution 8 below, the commitment of \$105,000.00 excluding GST as provided in the draft Annual Plan 2009/2010 for Contract No. EW09012C - Project Twin Streams Community Contract - Oratia Stream 2009 - 2012.*
4. *Approve subject to resolution 8 below, the commitment of \$105,000.00 excluding GST for the 2010/2011 financial year for Contract No. EW09012C - Project Twin Streams Community Contract - Oratia Stream 2009 - 2012.*
5. *Approve subject to resolution 8 below, the commitment of \$105,000.00 excluding GST for the 2011/2012 financial year for Contract No. EW09012C - Project Twin Streams Community Contract - Oratia Stream 2009 - 2012.*
6. *Approve subject to resolution 8 below, that authority to enter into Contract No. EW09012C - Project Twin Streams Community Contract - Oratia Stream 2009 - 2012 on behalf of Council be delegated to the Deputy Director: City Services.*
7. *Agree subject to resolution 8 below, that future renewals for Contract No. EW09012C - Project Twin Streams Community Contract - Oratia Stream 2009 - 2012 under the 1 + 1 + 1 right of renewal provisions be reported back to the Council for approval.*
8. *Agree that the resolutions 2-7 above for Contract No. EW09012C - Project Twin Streams Community Contract - Oratia Stream 2009 - 2012 be subject to final confirmation by the Auckland Transition Agency."*

964/2009

## DECISION MAKING

### Extension

8. Contract No. EW09012C - Project Twin Streams - Community Contract - Oratia Stream 2009 - 2012 is a 36 month contract with an expiry date of 30 June 2012. The initial term of the Contract was for one year with rights of renewal for the periods 1 July 2010 to 30 June 2011 and 1 July 2011 to 30 June 2012. MPHS has confirmed that they are willing to carry out the contract for a further 24 months. It is considered that it would be beneficial to confirm the extension for the remaining period of 24 months for the reasons set out below.
9. The Community Engagement component is critical to the integrity and success of the PTS riparian rehabilitation programme in both the short term to carry out the restoration and aftercare work, and in the long term to create the behaviour changes needed to ensure the sustainability of the restoration programme.
10. In the PTS Oratia Stream area this community engagement has been managed by MPHS. They have developed an excellent relationship with the local community in order to carry out this work.
11. Confirming the contract extension now will provide MPHS with certainty in planning and delivery of the required work programme to 2012. Extension of the current contract for a further 24 month period allows efficiencies in the learning, development and support for the community that are aligned to the Oratia Stream and the riparian rehabilitation works.

### Amendment to Contract Sum

12. The Stream Ranger role has been developed in the PTS Glen Eden area over the past year with excellent results, adding significant value to the project by providing efficiencies in time, resources and money. This success has inspired MPHS to develop their own programme to include a Stream Ranger position plus a Field worker position to support that role.
13. In the PTS Oratia Stream area it is planned that the Stream Ranger and Field Worker positions will carry out the following activities which are not currently possible with existing staff and are therefore undertaken by contractors:
  - Health and Safety checks and responsibility for all community events;
  - Plant layout;
  - Organising and maintaining all tools and equipment, including hireage of portaloos where necessary;
  - Providing onsite education to volunteers relative to native plant and weed identification, restoration practice, weed management and storm water mitigation;
  - Ensuring the site is left tidy and all weeds and rubbish is disposed of appropriately;
  - Completing work unfinished by volunteers when necessary;
  - Participating in stream activity planning including developing site management plans for adopted areas; and
  - Working with local residents to curtail the dumping of green and other waste in the stream bank area.
14. In order to achieve the PTS goals over the next 24 months in terms of stream restoration and community participation and ensure the long term sustainability of the project, MPHS proposes to employ a Stream Ranger and a Field Worker to support their current staff members who are already working at full capacity.
15. This will enable MPHS to deliver the following outcomes over the next 24 months:
  - The planting programme for all public areas in the Oratia Stream area suitable for community planting activity will be completed;
  - All available sites suitable for adoption by community groups will be planted and an aftercare programme established;
  - All schools in the Oratia Stream area will continue to be active participants in the project;
  - All private properties in the ARH funded areas will have been contacted and engagement in the restoration of their stream areas maximised; and
  - Local people will have the opportunity to participate in training programmes for steam restoration work. These six month programmes will include specialised certificates such as Grow Safe and over time will develop a local task force for stream restoration that can be utilised anywhere in the PTS catchment.
16. The new work to be undertaken is currently being carried by contractors, therefore the additional cost will be offset by reducing the physical works contract for this area.
17. Funding for this contract will be provided by ARH.

18. This extension was valued using existing contract rates plus escalation allowance. These rates were compared against rates received recently in other contracts and as they compared favourably, it was considered most beneficial to Council to extend the contract for a further 24 months.
19. The total cost of this contract is shown in Table 1 below:

2009/2010	Year 1	\$105,000.00
2010/2011	Extension 1 (renewal for 12 months)	\$270,000.00
2011/2012	Extension 2 (renewal for 12 months)	\$270,000.00
	<b>Total</b>	<b>\$645,000.00</b>

**Table 1 - Total accumulated amount**

### CONTRACTOR'S PERFORMANCE

20. An evaluation of MPHS's performance to date contains the following features:
- During the course of MPHS's relationship with the Council there have been no performance related issues;
  - The rationale for extension provides the ability for the Council to retain institutional knowledge over the period of transition and to ensure certainty of ongoing community engagement over the period of transition;
  - PTS Oratia has developed a good working relationship with relevant Council staff and have progressed the programme well in the past year;
  - They have a strong focus on health and safety;
  - They have excellent local knowledge of the stream area and are familiar with the works required; and
  - They have worked with and formed excellent relationships with the community groups and schools in their area.

### CREDIT CHECK

21. A credit check on MPHS dated 20 April 2010 revealed no adverse information.

### JOB COSTS

22. **excl. GST**

Contract sum (12 months 2010/2011)	\$270,000.00
Engineering and Supervision	0.00
Contingency	\$ 20,000.00
	-----
Total Job Cost	\$290,000.00

23. **excl. GST**

Contract sum (12 months 2011/2012)	\$270,000.00
Engineering and Supervision	0.00
Contingency	\$ 20,000.00
	-----
Total Job Cost	\$290,000.00

## SOURCE OF FUNDING

24. Source of funding for 2010/2011 and 2011/2012 is shown in Table 2 below:

Budget Description (from annual budget line item) Annual Plan 2010/2011	Codes	Budget	Committed to other projects	Allocation to this project	Unallocated balance	Potential surplus
Project Twin Streams	8AMEW-07-191/02/01/03	\$3,338,000.00	\$3,048,000.00	\$290,000.00	0.00	0.00
<b>Total</b>		\$3,338,000.00	\$3,048,000.00	\$290,000.00	0.00	0.00

Budget Description (from annual budget line item) 2011/2012 Financial Year	Codes	Budget	Committed to other projects	Allocation to this project	Unallocated balance	Potential surplus
Project Twin Streams	8AMEW-07-191/02/01/03	\$1,973,000.00	\$1,683,000.00	\$290,000.00	0.00	0.00
<b>Total</b>		\$1,973,000.00	\$1,683,000.00	\$290,000.00	0.00	0.00

**Table 2 - Source of Funding for the 2010/2011 and 2011/2012 financial years**

## IMPLEMENTATION ISSUES

25. There are no expected implementation issues with this contract.

## AUCKLAND COUNCIL TRANSITION ISSUES

26. The decision making proposed in this report is not constrained by section 31 of the Local Government (Tamaki Makaurau Reorganisation) Act 2009, as the original contract has already been approved by the Auckland Transition Agency. (ATA0026)

**Report prepared by:** Meredith Youngson, Social Programme Coordinator, Project Twin Streams.



10 **CONTRACT NO. EW08020A - PROJECT TWIN STREAMS - COMMUNITY CONTRACT - HENDERSON 2008 - 2010 - APPROVAL TO EXTEND CONTRACT PERIOD**

**GLOSSARY**

Project Twin Streams	(PTS)
Community Waitakere	(CW)
Auckland Regional Holdings Ltd	(ARH)

**EXECUTIVE SUMMARY**

The purpose of this report is to seek approval from the Tenders Subcommittee to extend to 30 June 2012 Contract No. EW08020A - Project Twin Streams - Community Contract - Henderson 2008 - 2010.

**RECOMMENDATIONS**

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. EW08020A - Project Twin Streams - Community Contract - Henderson 2008 - 2010 - Approval to Extend report.
2. **Approve** that Contract No. EW08020A - Project Twin Streams - Community Contract - Henderson 2008 - 2010 as awarded to Community Waitakere be extended in the sum of \$300,000 excluding GST for the period 1 July 2010 to 30 June 2012.
3. **Approve** the commitment of \$150,000 excluding GST as provided for in Year 3 (2011/2012) of the Long Term Council Community Plan 2009-2019 for Contract No. EW08020A - Project Twin Streams - Community Contract - Henderson 2008 - 2010.
4. **Approve** that the authority to extend Contract No. EW08020A - Project Twin Streams - Community Contract - Henderson 2008 - 2010 for the period 1 July 2010 to 30 June 2012 on behalf of Council be delegated to the Acting Group Manager: Assets.
5. **Note** that resolutions 2 to 5 above are subject to confirmation by the Auckland Transition Agency.

**BACKGROUND**

1. Project Twin Streams (PTS) is a complex cutting edge project with a focus on restoring six streams: Waikumete Stream, Opanuku Stream, Henderson Creek, Oratia Stream, Swanson Stream and Pixie Stream and their environs, principally through innovative storm water management and the weeding and planting of stream banks. Over time this focus has broadened into a Quadruple Bottom Line approach which recognises and weaves together the social, economic, cultural, spiritual and environmental aspects of the project. Key to the success and sustainability of this project is the public involvement and participation in the revegetation programme organised through the community contract organisations
2. There are currently four community organisations contracted in five areas within the catchments to work with local residents to restore the streams and improve the sustainability of our ecosystems. In 2005 Community Waitakere (CW) became the second community organisation to be awarded a PTS community contract. Their current contract finishes 30 June 2010.

3. As a PTS contract organisation CW has made significant progress in organising public planting events in the Henderson Creek area, and engaging with local residents, schools, groups and businesses in this work.
4. Major achievements during the past five years include:
  - Working with over 30 community groups on long and short term adoption of specific areas of stream;
  - More than 85,000 plants planted by the community;
  - Engagement with a number of hard-to-reach community groups such as the Korean Church and the Chinese Conservation Trust, where language presents a barrier. Through the work of PTS Henderson Creek these groups have developed a satisfying relationship with the stream and the local community;
  - Engagement with local businesses such as Pak N Save Henderson. This has resulted in a determined campaign to manage littering in their area as well as revegetation of the Henderson creek stream bank; and
  - Very successful engagement with Vision Waitakere Retirement Village which culminated in this organisation being awarded the top prize in the Auckland Regional Council Sustainable Environment Awards in 2010.
5. The proposed extension will enable continued engagement of the local community in the rehabilitation and aftercare of the riparian margin along the Henderson Creek and raising awareness of the wider vision of (PTS). Using a community development model, the contract holder is required to undertake:
  - Weeding, planting and maintenance work in the Henderson Creek area;
  - Plan and organise community events;
  - Build the capacity of the local community to take guardianship of parts of Henderson Creek;
  - Increase community understanding of the causes and effects of riparian degradation and ways to change behaviour to mitigate the effects; and
  - Plan for the long term implementation of this project in the Henderson Creek area.
6. In this aftercare model of PTS there are a number of points of difference from the current model that involve increased responsibility from the community for the management and sustainability of the stream restoration. These include:
  - Merging of Community Coordinator, Riparian Coordinator and Tech Support roles into two rather than three positions managed through Community Waitakere. This will include greater involvement of community groups in plant layout, weed control and site review;
  - Engagement of individuals with PTS through a volunteer bank initiative rather than working mainly with groups;
  - More focus on up-skilling and training of groups to work more independently on their adopted areas;
  - Less use of contractors in the community areas;
  - Development of social enterprise opportunities such as seed propagation and plant nurseries; and
  - Better links and collaboration with other PTS groups and associated organisations.

7. The Tenders Subcommittee approved the Contract EW080020A at a meeting held on 27 June 2008, where it was resolved as follows:

*“The Tenders Subcommittee resolved to:*

1. **Receive** the Contract No. EW08020A - Project Twin Streams - Community Contract - Henderson 2008 - 2010 report.
2. **Approve** the authority for the Group Manager: Asset Management to enter into a contract with Community Waitakere for Contract No. EW08020A - Project Twin Streams - Community Contract - Henderson 2008 - 2010 to the value of \$200,000 plus \$25,000 GST, totalling \$225,000.
3. **Approve** the commitment to the 2008/2009 Annual Plan of \$100,000 plus GST for the Contract No. EW08020A - Project Twin Streams - Community Contract - Henderson 2008 - 2010.
4. **Approve** the commitment to the 2009/2010 Annual Plan for \$100,000 plus GST for the Contract No. EW08020A - Project Twin Streams - Community Contract - Henderson 2008 - 2010.”

1002/2008

#### **DECISION MAKING**

8. Contract No. EW08020A - Project Twin Streams - Community Contract - Henderson 2008 - 2010 is a 24 month contract with an expiry date of 30 June 2010.
9. The Community Engagement component is critical to the integrity and success of the PTS riparian rehabilitation programme in both the short term to carry out the restoration and aftercare work, and in the long term to create the behaviour changes needed to ensure the sustainability of the restoration programme.
10. In the Henderson Creek area this community engagement has been managed by CW who has developed an excellent relationship with the community associated with Henderson Creek in order to carry out this work.
11. During the next 24 months CW plans further develop education and community capacity building programmes including engaging individuals and increase the physical works required. There are still many opportunities to further develop relationships, for example with neighbourhood groups. This will be a significant way forward for PTS in the future that will sustain and build on the achievements to date.
12. CW has also shown leadership in other aspects of future planning for PTS such as the Future Community Governance work.
13. CW has confirmed in writing that they are willing to carry out their contract for a further 24 months.
14. Funding for the first two years of this project was provided by ARH. Funding for this extension is provided by ARH.
15. Extension of the current contract for a further 24 months allows efficiencies in the learning, development and support for the community that are aligned to the Henderson Creek and the riparian rehabilitation works.

16. This extension was valued using existing contract rates plus escalation allowance. These rates were compared against rates received recently in other contracts and, as they compared favourably, it was considered most beneficial to Council to extend the contract for a further 24 months.
17. The total cost of this Contract is shown in Table 1 below:

2008/2009	Year 1 of current contract	\$100,000.00
2009/2010	Year 2 of current contract	\$100,000.00
2010/2011	Extension 1 - proposed	\$ 150,000.00
2011/2012	Extension 2 - proposed	\$ 150,000.00
	<b>Total</b>	<b>\$500,000.00</b>

**Table 1 - Total Accumulated Amount**

### CONTRACTOR'S PERFORMANCE

18. An evaluation of CW's performance to date contains the following features:
- During the course of CW's relationship with the Council, there have been no performance related issues;
  - The rationale for extension provides the ability for the Council to retain institutional knowledge over the period of transition, and to ensure certainty of ongoing community engagement over the period of transition;
  - They have an excellent community coordinator who has the capacity to grow the project in the required direction;
  - Their community coordinator is well supported in this work by the CW Manager and the CW Board;
  - CW has developed a good working relationship with relevant Council staff.
  - They have a strong focus on health and safety;
  - They have local knowledge of the stream area and are familiar with the works required on the Henderson creek; and
  - They have worked with and formed excellent relationships with the community groups in their area.

### CREDIT CHECK

19. A credit check on Community Waitakere dated 20 April 2010 revealed no adverse information.

### JOB COSTS

20.	<b>excl. GST</b>
Contract sum - (12 months 2010/2011)	\$150,000.00
	-----
Total Job Cost	\$150,000.00
	<b>excl. GST</b>
Contract sum - (12 months 2011/2012)	\$150,000.00
	-----
Total Job Cost	\$150,000.00

## SOURCE OF FUNDING

21. Source of funding is shown in Table 2 below:

Budget Description (from annual budget line item) Annual Plan 2010/2011	Codes	Budget	Committed to other projects	Allocation to this project	Unallocated balance	Potential surplus
Project Twin Streams - Community Contract - Henderson Creek EW08020A	8AMEW-07- 191/02/01/04	\$150,000.00	\$0	\$150,000.00		\$0
	<b>Total</b>	\$150,000.00		\$150,000.00		

**Table 2 - Source of Funding**

22. Source of funding is shown in Table 3 below:

Budget Description (from annual budget line item) 2011/2012 Financial Year	Codes	Budget	Committed to other projects	Allocation to this project	Unallocated balance	Potential surplus
Project Twin Streams - Community Contract - Henderson Creek EW08020A	8AMEW-07- 191/02/01/04	\$150,000.00	\$0	\$150,000.00		\$0
	<b>Total</b>	\$150,000.00		\$150,000.00		

**Table 3 - Source of Funding**

## IMPLEMENTATION ISSUES

23. There are no expected implementation issues with this contract.

## AUCKLAND COUNCIL TRANSITION ISSUES

24. The Local Government (Tamaki Makaurau Reorganisation) Act 2009 subsection (4)(i),(i) and (ii) imposes restrictions on Waitakere City Council's decision making capabilities in respect of entering into any contract (other than an employment agreement) that imposes any obligation on the organisation after 30 June 2011 or is equivalent to \$20,000 or more.

- (4) This subsection applies to a decision—
- (i) to enter into any contract (other than an employment agreement)—
    - (i) that imposes, or will continue to impose, any obligation on the organisation after 30 June 2011; and
    - (ii) the consideration for which is, or is equivalent to, \$20,000 or more.

25. This report is impacted on by section 31 of the Local Government (Tamaki Makaurau Reorganisation) Act 2009, as above. Therefore, this report includes recommendations to ensure compliance with the Local Government (Tamaki Makaurau Reorganisation) Act 2009. The recommendation requires the Tenders Subcommittee to agree that the extension beyond June 2011 is subject to agreement of the Auckland Transitional Agency.

**Report prepared by:** Meredith Youngson, Social Programme Coordinator, Project Twin Streams.



11 **CONTRACT NO. PK07003A - CITYWIDE PLAY FACILITIES MAINTENANCE AND RENEWALS - APPROVAL TO AMEND CONTRACT SUM**

**GLOSSARY**

Parks and Maintenance Services Limited (PMS)

**EXECUTIVE SUMMARY**

The purpose of this report is to seek approval from the Tenders Subcommittee to amend the contract sum for Contract No. PK07003A - Citywide Play Facilities Maintenance and Renewals to 30 June 2011.

**RECOMMENDATIONS**

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. PK07003A - Citywide Play Facilities Maintenance and Renewals - Approval to Amend Contract Sum report.
2. **Approve** that Contract No. PK07003A - Citywide Play Facilities Maintenance and Renewals as awarded to Parks and Maintenance Services Limited be amended from the sum of \$1,099,974.00 excluding GST to the sum of \$1,241,788.00 excluding GST for the period 1 July 2010 to 30 June 2011.
3. **Approve** that authority to amend the contract sum of Contract No. PK07003A - Citywide Play Facilities Maintenance and Renewals for the period 1 July 2010 to 30 June 2011 on behalf of Council be delegated to the Acting Group Manager: Assets.

**BACKGROUND**

1. This Contract provides for management of 144 play facilities, 23 basketball half courts and 12 skate facilities. This contract enables Council to implement its play facilities maintenance and renewal program, in the Long Term Community Plan 2009 - 2019, by engaging a contractor with the necessary skill set to provide the required quality of service and maintain safe play assets.
2. The scope of work includes:
  - **Part A** - Inspections and maintenance works for 144 playgrounds, 23 basketball half courts and 12 skate facilities;
  - **Part B** - Play facility renewals and upgrade works; and
  - **Part C** - Annual play facility safety compliance and condition audits.
3. The Tenders Subcommittee approved the extension of Contract No. Contract PK07003A - Citywide Play Facilities Maintenance and Renewals to Parks and Maintenance Services Limited (PMS) at a Tenders Subcommittee meeting held on 24 July 2009 where it was resolved as follows:

*“The Tenders Subcommittee resolved to:*

1. **Receive** the Contract No. PK07003A - Citywide Play Facilities Maintenance And Renewals - Approval To Extend report.
2. **Approve** that the Contract No. PK07003A - Citywide Play Facilities Maintenance and Renewals as awarded to Parks and Maintenance Services Limited be extended in the sum of \$2,227,374.00 excluding GST for the period 1 July 2009 to 30 June 2011.

3. **Approve** the commitment of \$1,099,974.00 excluding GST and any escalations to the 2010/2011 financial year for Contract No. PK07003A - Citywide Play Facilities Maintenance and Renewals.
4. **Approve** that authority to extend Contract No. PK07003A - Citywide Play Facilities Maintenance for the period 1 July 2009 to 30 June 2011 on behalf of the Council be delegated to the Deputy Group Manager: Assets.
5. **Agree** that a right of renewal for Contract No. PK07003A - Citywide Play Facilities Maintenance and Renewals from 1 July 2011 to 30 June 2012 be subject to approval by the Auckland Council.

1257/2009

## DECISION MAKING

4. Three playground upgrade projects have been added to the 2010/2011 work program:
  - Replacing the Kelman Square Playground that was burnt down in late 2009;
  - Upgrading the Waitakere War Memorial Playground; and
  - Upgrading the Annison Green Playground.
5. Waitakere War Memorial and Annison Green Playground upgrades are being carried forward from the 2009/10 financial year due to delay in obtaining consents and unforeseen ground conditions respectively.
6. Council is providing additional funding to replace the Kelman Square Playground.
7. The total accumulation of this contract showing the cost of the annual contract sums to date is shown in Table 1 below:

Year 2007/2008	Contract Sum	\$888,157.00
Year 2008/2009	Contract Sum	\$1,062,000.00
Year 2009/2010	Extension 1 (renewal)	\$724,512.00
Year 2010/2011	Extension 2 (renewal)	\$1,241,788.00
	Total	\$3,916,097.00

**Table 1 - Total accumulative amount**

## CONTRACTOR'S PERFORMANCE

8. An evaluation of PMS performance to date contains the following features:
  - They have consistently achieved or exceeded contractual Key Performance Indicators;
  - Their workmanship is generally to a very good standard;
  - They have developed a good working relationship with relevant Council staff;
  - They are a well resourced company, that continue to employ local residents of Waitakere City as a matter of course;
  - They have a strong focus on health and safety and have demonstrated ongoing compliance to health and safety requirements; and
  - They have demonstrated competence in customer services.
9. PMS have performed to expectation and the current contract is operating satisfactorily. The key performance measures on this contract are being met for the contract response times, quality, workmanship, health and safety, and customer satisfaction and regular internal and external auditing reflects this. This contractor regularly goes beyond their contractual requirements by providing added value in resolving issues, providing innovative solutions, and undertaking minor works at very short notice.

### CREDIT CHECK

10. A credit check on PMS dated 12 July 2010 revealed no adverse information.

### JOB COSTS

11.		<b>excl. GST</b>
	Contract sum (12 months 2010/2011)	\$1,241,788.00
		-----
	Total Job Cost	\$1,241,788.00

### SOURCE OF FUNDING

12. The budget sums are inflation adjusted. Source of funding is shown in Table 2 below:

Budget Description (from annual budget line item) Annual Plan 2010/2011	Codes	Budget	Committed to other projects	Allocation to this project	Unallocated balance	Potential surplus
Play Facilities Maintenance	5370	\$342,000.00	\$0.00	\$342,000.00	\$0.00	\$0.00
Playground Upgrades	8AMPK-11-006	\$729,900.00	\$0.00	\$729,900.00	\$0.00	\$0.00
Carry Forward	8AMPK-11-006	\$169,888.00	\$0.00	\$169,888.00	\$0.00	\$0.00
	<b>Totals</b>	<b>\$1,241,788.00</b>	<b>\$0.00</b>	<b>\$1,241,788.00</b>	<b>\$0.00</b>	<b>\$0.00</b>

**Table 2 - Source of Funding**

### IMPLEMENTATION ISSUES

13. There are no expected implementation issues with this contract.

### AUCKLAND COUNCIL TRANSITION ISSUES

14. The decision making proposed in this report is not constrained by section 31 of the Local Government (Tamaki Makaurau Reorganisation) Act 2009, as it does not directly or because of its consequences: significantly prejudice the reorganisation, significantly constrain the powers or capacity of the Auckland Council or any subsidiary of the Auckland Council following the reorganisation, or have a significant negative impact on the assets or liabilities that are transferred to the Auckland Council as a result of the reorganisation.

**Report prepared by:** Bruce Andrell, Parks Contract Officer, Parks and Open Spaces.



12 **CONTRACT NO. PK05004A - PARK LANDSCAPE PROGRAMMED MAINTENANCE - APPROVAL TO AMEND CONTRACT SUM**

**GLOSSARY**

Bilfinger Berger (New Zealand) Limited (BBS)

**EXECUTIVE SUMMARY**

The purpose of this report is to seek approval from the Tenders Subcommittee to amend the contract sum for Contract No. PK05004A - Park Landscape Programmed Maintenance to 30 June 2011.

**RECOMMENDATIONS**

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. PK05004A - Park Landscape Programmed Maintenance - Approval to Amend Contract Sum report.
2. **Approve** that Contract No. PK05004A - Park Landscape Programmed Maintenance as awarded to Bilfinger Berger (New Zealand) Limited be amended from the sum of \$3,125,606.00 excluding GST to the sum of \$3,488,800.28 excluding GST for the period 1 July 2010 to 30 June 2011.
3. **Approve** that authority to amend the contract sum of Contract No. PK05004A - Park Landscape Programmed Maintenance for the period 1 July 2010 to 30 June 2011 on behalf of the Council be delegated to the Acting Group Manager: Assets.

**BACKGROUND**

1. The scope of work includes:
  - Berm and park turf mowing;
  - Street and park garden maintenance and associated issues;
  - Litter and rubbish collection;
  - Sweeping / cleaning of courts / paths;
  - Car park and driveway maintenance;
  - Cleaning toilets, changing rooms and other specified buildings;
  - Locking of specified facilities;
  - Beachfront programmed maintenance; and
  - Roadside flail mowing.
2. All other response and non programmed work is undertaken by a separate response contractor.
3. This contract is a continuation of Council's routine landscape maintenance of all neighbourhood / local parks, civic and streetscape areas throughout the four wards of Waitakere. The works are required in order to ensure the continued health, safety and general integrity of the City's landscape asset.
4. The Tenders Subcommittee approved the extension of Contract No. PK05004A - Park Landscape Programmed Maintenance to Bilfinger Berger (New Zealand) Limited (BBS) at a meeting held on 9 April 2010 where it was resolved as follows:

*“The Tenders Subcommittee resolved to:*

1. **Receive** the Contract No. PK05004A - Park Landscape Programmed Maintenance - Approval to Extend report.
2. **Approve**, subject to resolution 4 below, that the Contract No. PK05004A - Park Landscape Programmed Maintenance as awarded to Bilfinger Berger (New Zealand) Limited be extended in the sum of \$3,125,606.00 excluding GST for the period 1 July 2011 to 30 June 2012.
3. **Approve**, subject to resolution 4 below, the commitment of \$3,125,606.00 excluding GST as provided in year 3 (2011/2012) of the Long Term Council Community Plan 2009-2019 for Contract No. PK05004A - Park Landscape Programmed Maintenance.
4. **Note** that resolutions 2 and 3 above be subject to confirmation by the Auckland Transition Agency.
5. **Note** that confirmation to proceed with Contract No. PK05004A - Park Landscape Programmed Maintenance - Approval to Extend report has been received from the Integrated Procurement Group.”

386/2010

## DECISION MAKING

5. Contract No. PK05004A - Park Landscape Programmed Maintenance schedule has been reviewed and updated since the last Tenders Subcommittee report dated 9 April 2010.
6. New areas from subdivisions and new assets created in 2008/2009 and 2009/2010 such as park and ride facilities, have been added to the contract schedule.
7. Project Twin Streams mowing areas resulting from property acquisition have been added to the contract schedule.
8. The projected costs of maintaining new areas from subdivisions and new assets for the period 1 July 2010 to 30 June 2011 has been included in the amended contract sum. Instructions for this addition work will be issued when required.
9. Provision has been made for areas that have had legitimate cost increases including Traffic Management.
10. The contract sum was valued using existing contract rates, including cost fluctuations.
11. The Parks budget as been reprioritised and reallocated to fund the increase in cost of Contract No. PK05004A - Park Landscape Programmed Maintenance Landscape.
12. In 2005 Contract No. PK05004A - Park Landscape Programmed Maintenance was subject to a competitive, publicly tendered process.
13. The total accumulation of this contract showing the cost of the annual contract sums to date is shown in Table 1 below:

Year 2005/2006	Original Contract Sum - year 1	\$3,717,856.00
Year 2006/2007	Original Contract Sum - year 2	\$3,717,856.00
Year 2007/2008	Original Contract Sum - year 3	\$3,097,496.00
Year 2008/2009	Extension 1 (renewal)	\$3,681,850.00
Year 2009/2010	Extension 2 (renewal)	\$3,125,606.00
Year 2010/2011	Extension 3 (renewal)	\$3,488,800.28
	Total	\$20,829,464.28

**Table 1 - Total accumulative amount**

### CONTRACTOR'S PERFORMANCE

14. An evaluation of BBS performance to date contains the following features:
- They have continued to develop a good working relationship with relevant Council staff;
  - They are a well resourced company;
  - They respond quickly to customer complaints;
  - They have a strong focus on health and safety and have demonstrated ongoing compliance to health and safety requirements;
  - Their workmanship is generally to a good standard; and
  - They have consistently achieved or exceeded contractual Key Performance Indicators.

### CREDIT CHECK

15. A credit check on BBS dated 12 July 2010 revealed no adverse information.

### JOB COSTS

16.	<b>excl. GST</b>
Contract sum (12 months 2010/2011)	\$3,488,800.28
	-----
Total Job Cost	\$3,488,800.28

### SOURCE OF FUNDING

17. The budget sums are inflation adjusted. The contract sums include a sum for cost fluctuation. Source of funding is shown in Table 2 below:

Budget Description (from annual budget line item) Annual Plan 2010/2011	Codes	Budget	Committed to other projects	Allocation to this project	Unallocated balance	Potential surplus
Sports Facilities Maintenance	5340	\$364,000.00	\$326,622.14	\$37,377.86	\$0	\$0
Fixtures and Furniture Maintenance	5330	\$608,000.00	\$398,565.70	\$209,434.30	\$0	\$0
Litter Control	5360	\$550,000.00	\$305,510.70	\$244,489.30	\$0	\$0
Passive Grass Maintenance	5320	\$1,718,000.00	\$697,331.25	\$1,020,668.75	\$0	\$0
Planting Maintenance	5290	\$1,329,000.00	\$246,161.28	\$1,082,838.72	\$0	\$0

Budget Description (from annual budget line item) Annual Plan 2010/2011	Codes	Budget	Committed to other projects	Allocation to this project	Unallocated balance	Potential surplus
Structures Maintenance	5210	\$148,000.00	\$124,882.49	\$23,117.51	\$0	\$0
Building Maintenance	5160	\$848,000.00	\$561,049.07	\$286,950.93	\$0	\$0
Car park and Driveways Maintenance	5240	\$201,000.00	\$127,244.28	\$73,755.72	\$0	\$0
Services Maintenance	5220	\$419,000.00	\$335,594.82	\$83,405.18	\$0	\$0
Paths Tracks and Walkway Maintenance	5260	\$221,000.00	\$206,503.58	\$14,496.42	\$0	\$0
Flail Mowing (Subsidised)	5500	\$182,000.00	\$0.00	\$182,000.00	\$0	\$0
Weed and Pest Maintenance	5190	\$1,070,000.00	\$912,487.83	\$157,512.17	\$0	\$0
Subs Vegetation Control	5490	\$370,000.00	\$341,246.82	\$28,753.18	\$0	\$0
Plantings Parks Renewals	8AMPK-11-007	\$150,000.00	\$106,000.00	\$44,000	\$0	\$0
<b>Totals</b>		<b>\$8,178,000.00</b>	<b>\$4,689,199.96</b>	<b>\$3,488,800.28</b>	<b>\$0</b>	<b>\$0</b>

**Table 2 - Source of Funding**

**IMPLEMENTATION ISSUES**

18. There are no implementation issues expected with this contract.

**AUCKLAND COUNCIL TRANSITION ISSUES**

19. The decision making proposed in this report is not constrained by section 31 of the Local Government (Tamaki Makaurau Reorganisation) Act 2009, as it does not directly or because of its consequences: significantly prejudice the reorganisation, significantly constrain the powers or capacity of the Auckland Council or any subsidiary of the Auckland Council following the reorganisation, or have a significant negative impact on the assets or liabilities that are transferred to the Auckland Council as a result of the reorganisation.

**Report prepared by:** Bruce Andrell, Parks Contract Officer.

